



BAC 7710-FW-P

POSTAL REGULATORY COMMISSION

39 CFR part 3050

[Docket No. RM2016-1; Order No. 2752]

Periodic Reporting

AGENCY: Postal Regulatory Commission.

ACTION: Notice of proposed rulemaking.

SUMMARY: The Commission is noticing a recent Postal Service filing requesting that the Commission initiate an informal rulemaking proceeding to consider a proposed change to analytical principles relating to periodic reports (Proposal Eleven). This notice informs the public of the filing, invites public comment, and takes other administrative steps.

DATES: *Comments are due:* November 24, 2015. *Reply Comments are due:* December 7, 2015.

ADDRESSES: Submit comments electronically via the Commission's Filing Online system at <http://www.prc.gov>. Those who cannot submit comments electronically should contact the person identified in the **FOR FURTHER INFORMATION CONTACT** section by telephone for advice on filing alternatives.

FOR FURTHER INFORMATION CONTACT: David A. Trissell, General Counsel, at 202-789-6820.

SUPPLEMENTARY INFORMATION:

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I. Introduction

On October 7, 2015, the Postal Service filed a petition pursuant to 39 CFR 3050.11 requesting that the Commission initiate an informal rulemaking proceeding to consider a proposed change in analytical principles relating to periodic reports.¹ A description of Proposal Eleven is attached to the Petition. *Id.* at 1. The Petition seeks a change in the statistical point and variance estimation methodology for the Origin-Destination Information System – revenue, pieces, and weight (ODIS-RPW) system² estimates used in the “Revenue, Pieces and Weight By Class and Special Services (RPW) report relating to letter and card mailpieces that will be sampled digitally.” Petition at 3.

II. Summary of Proposal

¹ Petition of the United States Postal Service Requesting Initiation of a Proceeding to Consider a Proposed Change in Analytical Principles (Proposal Eleven), October 7, 2015 (Petition).

² “The ODIS-RPW system is a probability-based destinating mail sampling system used to support the Postal Service's many and varied business needs for mail revenue and volume information. ODIS-RPW primarily supplies official RPW estimates of revenue, volume and weight for single-piece stamped and metered indicia mail.” Petition at 4.

Under Proposal Eleven, beginning Q2 FY2016 (January 1, 2016), the Postal Service seeks to replace the direct expansion estimator for the population of digitally sampled First-Class letter and card mail,³ within ODIS-RPW, with a ratio estimator that utilizes national End-of-Run machine counts. Petition at 1-2. “The digital letter mail estimates utilizing the ratio estimator applied to the digital letter mail sampling frame would be combined with direct expansion estimates from the non-digital sampling frame.” *Id.* at 2. The Postal Service contends the proposed ratio estimator for the letter mail digital sampling frame mathematically outperforms the direct expansion estimator for First-Class Mail single-piece volume and revenue. *Id.*

The Postal Service plans to implement the change described in Proposal Eleven on January 1, 2016. *Id.* at 3. The Postal Service asserts that the proposed estimation methodology of the ratio estimator is an improvement over the direct expansion estimator and will improve the product estimates used for RPW by reducing bias and significantly lowering the calculated coefficient of variation for the same sample size. *Id.* The Postal Service states that “[t]he only significant category affected is First-Class Mail single piece letters and cards.” *Id.* at 4.

III. Initial Commission Action

³ Docket No. RM2015-11, Order on Analytical Principles Used in Periodic Reporting (Proposal Three) September 30, 2015 (Order No. 2739).

The Commission establishes Docket No. RM2016-1 for consideration of matters raised by the Petition. Additional information concerning the Petition may be accessed via the Commission's Web site at <http://www.prc.gov>. Interested persons may submit comments on the Petition and Proposal Eleven no later than November 24, 2015. Reply comments are due no later than December 7, 2015. Pursuant to 39 U.S.C. 505, Lyudmila Y. Bzhilyanskaya is designated as an officer of the Commission to represent the interests of the general public (Public Representative) in this proceeding.

IV. Ordering Paragraphs

It is ordered:

1. The Commission establishes Docket No. RM2016-1 for consideration of the matters raised by the Petition of the United States Postal Service Requesting Initiation of a Proceeding to Consider a Proposed Change in Analytical Principles (Proposal Eleven), filed October 7, 2015.
2. Comments are due no later than November 24, 2015. Reply comments are due no later than December 7, 2015.
3. Pursuant to 39 U.S.C. 505, the Commission appoints Lyudmila Y. Bzhilyanskaya to serve as Public Representative in this docket.
4. The Secretary shall arrange for publication of this order in the **Federal Register**.

By the Commission.

Ruth Ann Abrams,

Acting Secretary.

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10/20/2015]*